UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF APPEALS AND INTERFERENCES
Appeal: Ex Parte WILFRIED JUD and HANS-RUDOLF NAGELI

Appeal No.: 2006-1061

Application No.: 09/505,713

Filed: February 17, 2000

Appellants: Wilfried Jud et al.

Title: Sterilizible Composite Film

REQUEST FOR REHEARING AND RECONSIDERATION

Mail Stop-Appeal Brief-Patents
Commissioner For Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir or Madame:

Appellants hereby request rehearing and reconsideration of the Board Decision on Appeal dated May 31, 2006, and reversal of said decision. Appellants also request rehearing and reconsideration of said Board Decision on Appeal by the Board en banc, and reversal thereof.

The Board, in its decision dated May 31, 2006, misapprehended (or overlooked) the requirement that the Graham factual inquiry and determination of the level of ordinary skill in the art must be made in the record. The Board relied on case law that the Board asserted represented that specific finding on the level of skill was not necessary where the prior art itself reflected an appropriate level of skill in the art. The Board overlooked that the decision it relied on contained disclosure that the parties had agreed that the level of ordinary skill in the art was high. The Board did not factually ascertain in the record what was an appropriate level of skill. The Board did not factually analyze the prior art to

determine what was the level of ordinary skill in art that the prior art reflected. The Supreme Court in the Graham case [383 U.S. 1; (1966)] set out that the level of ordinary skill in the art had to be factually determined – the Board's decision (and the Examiner's rejection) is in error as it did not analyze the prior art of record to ascertain what level of skill was reflected by the prior art and if such level was an appropriate level of skill. The Board further misapprehended that the Patent Office policy is to follow the requirements of the Graham decision and that the Administrative Procedures required the find of facts in the record (e.g., level of ordinary skilled in the art and its factual support).

Appellants raised the argument of having to factually determine in the record the level of ordinary skill in the art as being required by the Supreme Court's Graham decision and by Patent Office policy, on page 27 to 29 of the Appeal Brief.

The Board misapprehended the necessary requirement to make the factual determination in the record of the level of ordinary skill in the art before any prima facie showing of obviousness can be established in the record. This argument was presented on page 29 in appellants' appeal brief. Reference is also made to M.P.E.P. 2144.08.II and 2144.08.II. A.

The C.A.F.C. in In re Lee, 61 USPQ2d 1433, (Jan. 18, 2002), stated:

> "Tribunals of the PTO are governed by the Administrative Procedure Act,...." [Page 1432]
>
> "For the judicial review to be meaningfully achieved within these strictures, the agency tribunal must present a full and reasoned explanation of its decision. The agency tribunal must set forth its findings and the grounds thereof, as supported by the agency record, and explain its application of the law to the found facts.... Judicial review of a Board decision denying an application for patent is thus

founded on the obligation of the agency to make the necessary findings and to provide an administrative record showing the evidence on which the findings are based, accompanied by the agency's reasoning in reaching its conclusions. *See In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001) (review is on the administrative record); *In re Gartside*, 203 F.3d 1305, 1314, 53 USPQ2d 1769, 1774 (Fed. Cir. 2000) (Board decision 'must be justified within the four corners of the record)." [Emphasis supplied] [Pages 1432 and 1433]

"As applied to the determination of patentability *vel non* when the issue is obviousness, 'it is fundamental that rejections under 35 U.S.C. § 103 must be based on evidence comprehended by the language of that section.' *In re Grasselli,* 713 F.2d 731, 739, 218 USPQW 769, 775 (Fed. Cir. 1983). The essential factual evidence on the issue of obviousness is set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, 148 USPQ 459, 467 (1966) and extensive ensuing precedent. The patent examination process centers on prior art and the analysis thereof. When patentability turns on the question of obviousness, the search for and analysis of the prior art..." [Emphasis supplied] [Page 1433]

Note that the Patent Office, including the Board of Patent Appeals and Interferences, is subject to the policy direction for the Patent Office, and the person (i.e., the Director of the Paten and Trademark Office), who is responsible for providing policy direction for the Patent Office, is also a member of the Board of Patent Appeals and Interferences. The Director (and/or the Secretary of Commerce) must have provided that Patent Office policy (as per the M.P.E.P) is to follow the Supreme Court decision of Graham v. John Deere Co. in consideration and determination of obviousness under 35 U.S.C. 103(a). The Graham decision requires resolution of the level of ordinary skill in the

pertinent, as one of the factual inquiries, before the decision can be made under Section 103(a).

Regarding determination of the policy of the United States Patent and Trademark Office, Title 35 of the United States Code states:

"35 U.S.C. 1 Establishment."

"(a) ESTABLISHMENT. – The United States Patent and Trademark Office is established as an agency of the United States, within the Department of Commerce. In carrying out its functions, the United States Patent and Trademark Office shall be subject to the policy direction of the Secretary of Commerce,...." [Emphasis supplied]

"35 U.S.C. 2 Powers and duties."

"(a) IN GENERAL. —The United States Patent and Trademark Office, subject to the policy direction of the Secretary of Commerce—

***"

[Emphasis supplied]

"35 U.S.C. 3 Officers and employees."

"(a) IN GENERAL.—The power and duties of the United States Patent and Trademark Office shall be vested in an Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (in this title referred to as the "director"),....

***"

[Emphasis supplied]

"(2) DUTIES.—

"(A) IN GENERAL.—The Director shall be responsible for providing policy direction and management supervision for the Office and for the issuance of patents and the registration of trademarks."

[Emphasis supplied]

Title 35 of the United States Code states:

"35 U.S.C. 6 Board of Patent Appeals and Interferences."

"(a) ESTABLISHMENT AND COMPOSITION.—There shall be in the Untied States Patent and Trademark Office a Board of Patent Appeals and Interferences. The Director, for Deputy Commissioner, the Commissioner for Patents, the Commissioner for Trademarks, and the administrative patent judges shall constitute the Board." [Emphasis supplied]

The Director, who is responsible for providing the policy direction of the United States Patent and Trademark Office, is a member of the Board of Patent Appeals and Interferences.

Section 2141.I of the M.P.E.P. states:

"Office policy is to follow *Graham v. John Deere Co.* in the consideration and determination of obviousness under 35 U.S.C. 103. As quoted above, the four factual inquires enunciated therein as a background for determining obviousness are as follows:

(A) Determining the scope and contents of the prior art;

(B) Ascertaining the differences between the prior art and the claims in issue;

(C) Resolving the level of ordinary skill in the pertinent art; and

(D) Evaluating evidence of secondary considerations."

* * *

"Accordingly, examiners should apply the test for patentability under 35 U.S.C. 103 set forth in *Graham.*" [Emphasis supplied]

The Board historically also follows the Graham decision in determinations under 35 U.S.C. 103(a) (although appellants contend that the present panel of the Board has not). The U.S. Court of Appeals, Federal Circuit in In re Leonard R. Kahn, (No. 04-1616, March 22, 2006), stated:

"In assessing whether subject matter would have been non-obvious under § 103, the Board follows the guidance of the Supreme Court in Graham v. John Deere Co. The Board determines '"the scope and content of the prior art,"' ascertains '"the differences between the prior art and the claims at issue,"' and resolves '"the level of ordinary skill in the pertinent art."' Dann V. Johnston, 425 U.S. 219, 226 (1976) quoting Graham, 383 U.S. at 17). Against the background, the Board determines whether the subject matter would have been obvious to a person of ordinary skill in the art at the time of the asserted invention. Graham, 383 U.S. at 17. In making this determination, the Board can assess evidence related to secondary indicia of non-obviousness like 'commercial success, long felt but unresolved needs, failure of others, etc.' Id., 383 at 17-18; accord Roufett, 149 F.3d at 1355. We have explained that

> [t]o reject claims in an application under section 103, an examiner must show an unrebutted prima facie case of obviousness....On appeal to the Board, an applicant can overcome a rejection by

showing insufficient evidence of prima facie obviousness or by rebutting the prima facie case with evidence of secondary indicia of nonobviousness.

Rouffert, 149 F.3d at 1355." [Emphasis supplied] [Page 1]

The Foreword of the M.P.E.P., Rev. 3, August 2005, states:

"This Manual is published to provide U.S. Patent and Trademark Office (USPTO) patent examiners, applicants, attorneys, agents, and representatives of applicants with a reference work on the practices and procedures relative to the prosecution of patent applications before the USPTO. It contains instructions to examiners, as well as other material in the nature of information and interpretation, and outlines the current procedures which the examiners are required or authorized to follow in appropriate cases in the normal examination of patent application. The Manual does not have the force of law or the force of the rules in Title 37 of the Code of Federal Regulations."

***

"Examiners will be governed by the applicable statutes, rules, decisions, and order and instructions issued by the Director of the USPTO and other officials authorized by the Director of the USPTO." [Emphasis Supplied]

The Examiner and the Board did not follow the Graham decision and the Patent Office policy as the record does not contain any factual resolution using the prior art of record of the level of ordinary skill in the art.

Section 2141.03 of the M.P.E.P., Rev. 3, August 2005, states:

"ASCERTAINING LEVEL OF ORDINARY SKILL IS NECESSARY TO MAINTAIN OBJECTIVITY"

"The importance of resolving the level of ordinary skill in the art lies in the necessity of maintaining objectivity in the obviousness inquiry. '*Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 718, 21 USPQ2d 1053, 1057 (Fed. Cir. 1991). The examiner must ascertain what would have been obvious to one of ordinary skill in the art at the time the invention was made, and not to the inventor, a judge, a layman, those skilled in remote arts, or to geniuses in the art at hand. *Environmental Designs, Ltd. v. Union Oil Co.*, 713 F.2d 693, 218 USPQ 865 (Fed. Cir. 1983), *cert. denied*, 464 U.S. 1043 (1984)." [Emphasis supplied]

The quotation of the Board from the Okajima decision includes "'... and a need for testimony is not shown.'" In the case at bar there was more evidence present in the record than the prior art represented by patents and literature. The declaration of Mr. Hans P. Breitler was submitted and entered (by action of the R.C.E. filed on June 19, 2002) during prosecution, and is discussed on pages 19 to 20 of appellants' appeal brief. Mr. Breitler's declaration discusses U.S. Patent No. 5,589,275, the primary rejection reference in the Section 103(a) rejection.

Also, portions of the Breitler patent file wrapper were of record in the case and discussed on pages 18 and 19 of appellants' appeal brief.

The prior art of record is more than the three items cited by the Examiner in the Examiner's Answer. All of the prior art of record has to be analyzed.

The Board decision states:

"Appellants argue that, because the Examiner has not addressed on the record the level of skill in the art, the § 103 rejection is fatally defective. (Brief, p. 36). 'While it is always preferable for the factfinder below to specify the level of skill it has found to apply to the invention at issue, the absence of specific findings on the level of skill in the art does not give rise to reversible error 'where the prior art itself reflects an appropriate level and a need for testimony is not shown.'" *Okajima v. Bourdeau*, 261, F.3d 1350, 1355, 59 USPQ2d 1795, 1797 (Fed. Cir. 2001). (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163, 225 USPQ 34, 38 (Fed. Cir. 1985). Appellants have not explained, and it is not apparent, why the applied prior art does not reflect an appropriate level of skill in the art." [Emphasis supplied] [Page 12]

One crucial question is simply how does the Board and the Examiner know that the prior art reflects an appropriate level of skill in the art without the required factual analysis in the record of the prior art of record as to what is the level of ordinary skill in the art. The Supreme Court and Patent Office policy require factual analysis, which would be of the prior art of record. No such factual analysis was even asserted to have been made by the Board and the Examiner.

The prior art of record is all of the references and literature. Brietler declaration and portions of the Brietler patent also need to be considered in the analysis.

Webster's Ninth New Collegiate Dictionary, (1989), states:

"Reflect... 4. to give back or exhibit as an image, likeness, or outlines: mirror..." [Page 989]

The Random House Dictionary, The Unabridged Edition, (1983), states:

"reflect... 2. to give back or show an image of; mirror.... 8. to be reflected or mirrored. 9. to give back or show an image." [Page 1206]

Webster's Ninth New Collegiate Dictionary, ibid., states:

"analysis... 2 a: an examination of a complex, its elements, and their relations" [Page 82]

" analyze ... 1: to study or determine the nature and relationship of the parts by analysis " [Page 83]

The Random House Dictionary, ibid., states:

" analysis ... 2. this process as a method of studying the nature of something or of determining its essential features and their relations:...." [Page 53]

" analyze ... 2. to examine critically, so as to bring out the essential elements or to give the essence of ... " [Page 53]

The C.A.F.C. in In re GPAC Inc., 35 USPQ2d 1116, 1121, (June 20, 1995), stated:

"Level of ordinary skill in the art"

"The person of ordinary skill in the art is a hypothetical person who is presumed to know the relevant prior art. Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc., 807 F.2d 955, 962, 1 USPQ2d 1196, 1201 (Fed. Cir. 1986). In determining this skill level, the court may consider various factors including 'type of problems encountered in the art; prior art solutions to those problems; rapidity with which innovations are made; sophistication of the technology; and educational level of active workers in

the field.' Id. In a given case, every factor may not be present, and one or more factors may predomination. Id. At 962-63, 1 USPQ2d at 1201."

"Although the Board did not make a specific finding on skill level, it did conclude that the level of ordinary skill in the art of asbestos removal and contamination control was best determined by appeal to the references of record, especially Asbestos. We do not believe that the Board clearly erred in adopting this approach because it offers valuable insight in considering the Custom Accessories factors. Asbestos explains the hazards associated with asbestos removal and discusses in detail the types of problems encountered in the art as well as possible solutions. Our reading of Asbestos indicates that the types of problems and potential solutions encountered in the art are somewhat sophisticated, if for no other reason than airborne asbestos dust is highly hazardous and extremely difficult to contain. The design, operation, and maintenance of an asbestos removal systems demands a technical sophistication and a level of professional skill commensurate with the hazardous nature of the work. Furthermore, in keeping with the hazard involved, the asbestos removal art is heavily regulated thereby placing a premium on professional competence in ensuring regulatory compliance. [Emphasis supplied] [Page 1579]

In the GPAC decision, the Board did not make a specific finding of the skill level but it concluded that the level of ordinary skill in the art was best determined by going to the references of record. That is, the prior art (references) best "reflected" the level of ordinary skill in the art, however such prior art (references)

were used to determined the level of ordinary skill in the art. Analysis of the references of record was required. Note the CAFC's confirming analysis of the "Asbestos" reference to ascertain the skill level for use in the Graham determination under Section 103(a).

The decision cited by the Board, namely Okajima v. Bourdeau, 59 USPQ2d 1795 (Fed. Cir. 2001), is a patent interference case concerning the issue of obviousness." The Federal Circuit Court of Appeals in the Okajima decision stated:

> "Whether a claimed invention is unpatentable as obvious under 35 U.S.C. § 103 is a question of law based on underlying findings of fact. *In re Gartside*, 203 F.3d 1305, 1316, 53 USPQ2d 1769, 1776 (Fed. Cir. 2000). The underlying factual inquires include: (1) the scope and content of the prior art; (2) the level of ordinary skill in the prior art and (3) the differences between the claimed invention and the prior art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, 148 USPQ 459, 460 (1966)." [Emphasis supplied] [Page 1797]
>
> "Okajima contends that the Board erred as a matter of law by failing to make any findings of fact regarding the level of skill in the art. As described in *Al-Site Corp. v. VSI International. Inc.* 174 F.3d 1308, 1324, 50 USPQ2d 1161, 1171 (Fed. Cir. 1999), the level of skill in the art is a prism or lens through which a judge jury, or the Board views the prior art and the claimed invention. This reference point prevents these factfinders from using their own insight or, worst yet, hindsight, to gauge obviousness. *Id.* Skill in the art does not act as a bridge over gaps in substantive presentation of an obviousness case, but instead supplies an

important guarantee of objectivity in the process. *Id.* (citing *Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 718, 21 USPQ2d 1053, 1057 (Fed. Cir. 1991)). While it is always preferable for the factfinder below to specify the level of skill it has found to apply to the invention at issue, the absence of specific findings on the level of skill in the art does not give rise to reversible error 'where the prior art itself reflects an appropriate level and a need for testimony is not shown.' *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163, 225 USPQ 34, 38 (Fed. Cir. 1985), *see also Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 963, 1 USPQ2d 1196, 1201 (Fed. Cir. 1986) (excusing failure to make express findings as to the level of ordinary skill where there is no showing that the court's failure to make such a finding influenced the ultimate determination)." [Emphasis supplied] [Page 179]

However, immediately thereafter the C.A.F.C. went on to state:

"In this case, Okajima stated during the final hearing that there was no dispute that the level of skill was high. Where the parties agree that the level of skill in the art is high, any finding by the Board that the proper level of skill is less than that urged by the parties would only reinforce the Board's conclusion of nonobviousness. *See Kloster Speedsteel AB v.* Crucible Inc., 793 F.2d 1565, 1574, 230 USPQ 81, 88 (Fed. Cir. 1986) (recognizing that particular findings as to level of skill do not influence the ultimate determination under § 103 where there is a 'determination that an invention would have been nonobvious to those of extraordinary skill'). Accordingly, we find no harm under the circumstances of

this case in the Board's failure to set forth express findings as to the level of skill." [Emphasis supplied] [Page 1797]

The parties had agreed that the level of skill in the art was high.

Of interest is headnote number [1] for the Okajima decision in 59 USPQ2d 1795, which reads as follows:

"Board of Patent Appeals and Interferences, in concluding the snowboard boot invention is not unpatentable for obviousness, did not err by failing to make findings of fact as to level of ordinary skill in art, since absence of specific findings regarding level of skill in art does not give rise to reversible error if prior art reflects appropriate level, and need for testimony is not shown, since parties in present case agreed that level of skill in art is high, and since any findings by board that proper level of skill is less than that urged by parties would only reinforce board's findings of non-obviousness." [Emphasis supplied] [Page 1795]

The Board under the Administrative Procedure Act is obligated to analyze the prior art, that reflects the level of ordinary skill in the art, to determine the level of ordinary skill in the art. The C.A.F.C. in *In re Lee*, ibid., stated:

> "Deferential judicial review under the Administrative Procedure Act does not relieve the agency of its obligation to develop an evidentiary basis for its findings. To the contrary, the Administrative Procedure Act reinforces this obligation. *See, e.g., Motor Vehicle Manufacturers Ass'n v. State Farm Mutual Automobile Ins. Co.*, 463 U.S. 29, 43 (1983) ('the agency must examine the relevant data and articulate a satisfactory explanation for its action including a "rational connection between the facts

found and the choice made.') (quoting *Burlington Truck Lines v. United States*, 371 U.S. 156, 168 (1962)); ...." [Emphasis supplied] [Page 1434]

In Ruiz et al. v. A.B.Chance Company, 234 F.3d 654, (Dec. 6, 2000), the C.A.F.C. vacated and remanded to the district court to make specific Graham decisions including on the level of ordinary skill in the art, because the district court had failed to make factual findings on obviousness set out in the Supreme Court's Graham decision. Appellants request vacating of the Board decision and reversal of the obviousness rejection. If the Board will not reverse the obviousness rejection, then appellants' request remand to the Examiner for the Examiner to analyze all of the prior art of record, etc., to determine the level of ordinary skill "reflected" by such prior art (and to then determine obvious/nonobvious of appellants' claimed invention).

The C.A.F.C. in the Ruiz case, ibid., page 663, stated that forbidden hindsight and speculation arise when the factual inquires of the Graham decision are not made.

The C.A.F.C. in *In re Lee*, ibid., stated:

> "....Omission of a relevant factor required by precedent is both legal error and arbitrary agency action." [Page 1434]

Respectfully submitted,

July 31, 2006
Date

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